



**DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

**News Release**

**LINDA LINGLE**  
GOVERNOR

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NELSON B. BEFITEL, DIRECTOR  
COLLEEN Y. LaCLAIR, DEPUTY DIRECTOR  
Phone: (808) 586-8844  
Fax: (808) 586-9099

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**STATE DEPARTMENT OF LABOR TO LOWER UNEMPLOYMENT  
INSURANCE TAX SCHEDULE FOR 2004**

**Hawaii Low Unemployment Rate Remains at 4.2 Percent**

HONOLULU- The State of Hawaii Department of Labor & Industrial Relations announced today that it will lower the Unemployment Insurance Tax Schedule for employers who make contributions into the Unemployment Compensation Trust Fund. The Contribution Rate Schedule will go from Schedule D to Schedule C for calendar year 2004, which means Hawaii employers will likely pay less unemployment insurance taxes in 2004.

The announcement comes as the Department released the latest unemployment figures, which shows the statewide non-seasonally adjusted unemployment rate in November held steady at 4.2 percent. Similarly, the national non-seasonally adjusted unemployment rate remained stable over-the-month, holding at 5.6 percent.

The lowering of the tax schedule from Schedule D to Schedule C means that in 2004 the contribution rate for employers will range from 0.0% to 5.4%, whereas in 2003, the tax rates for Schedule D ranged from 0.2% to 5.4%. The estimated average tax rate is expected to drop from 1.7% in 2003 to 1.2% in 2004. The tax collected helps to ensure the solvency of the Unemployment Trust Fund that pays unemployment benefits to eligible employees that become unemployed.

“The low unemployment rate and our strengthening economy, one that has added 10,000 jobs since November of last year, have contributed greatly to our ability to lower the tax rate we impose upon businesses to keep our Unemployment Trust Fund solvent,” said Nelson Befitel, Director of Labor and Industrial Relations. “We are encouraged that we were able to help reduce the cost of doing business in Hawaii during the first year of the Lingle-Aiona Administration.”

In November, there were 582,900 employed and 25,500 unemployed in Hawaii, for a total labor force of 608,500. From the beginning of this year through October, Hawaii’s monthly unemployment rate has been consistently one of the lowest in the nation, ranking as high as 1<sup>st</sup> among the 50 states.

In another measure of employment growth, total statewide non-agricultural jobs expanded by 4,500 in November over October, with the private sector contributing over two-thirds of the job growth. Retail trade and food and drinking places experienced seasonal increases of 1,300 and 500 jobs respectively. Professional and business services, which include accounting, advertising and legal firms, rose by 500 jobs. Due to typical fall calendar staffing needs in November, public and private education added 1,700 and 400 jobs respectively. Federal government jobs declined by 300.

Compared with November 2002, total non-agricultural jobs have increased by 10,200, or 1.8 percent. While public sector employment showed little change over-the-year, private sector jobs grew by 10,300. Within the private sector, professional and business services experienced growth of 1,800 jobs, while the construction industry added 1,100 jobs. Employment in food and drinking places and retail trade increased by 2,300 and 900 jobs respectively, in comparison with last November.

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For more information, contact:  
James P. Hardway  
Assistant to the Director  
Phone: (808) 586-8845  
Fax: (808) 586-9099  
Email: [jhardway@hawaii.gov](mailto:jhardway@hawaii.gov)